

ORDINANCE NO. 68-2020

BY: **ROY J. JECH**
(By Request – Mayor)

AN ORDINANCE DECLARING IMPROVEMENTS TO CERTAIN PARCELS WITHIN THE CITY TO BE A PUBLIC PURPOSE, EXEMPTING A PORTION OF THE IMPROVEMENTS TO SUCH PARCELS FROM REAL PROPERTY TAXATION FOR A PERIOD OF TWENTY YEARS; AUTHORIZING THE MAYOR TO ENTER INTO AGREEMENTS WITH PARMA NEST, LLC. TO PROVIDE TAX INCREMENT FINANCING TO PARTIALLY FINANCE CERTAIN IMPROVEMENTS, REQUIRING THE OWNER OF THE IMPROVEMENTS ON SUCH PARCELS TO MAKE SERVICE PAYMENTS IN LIEU OF TAXES, ESTABLISHING AN URBAN REDEVELOPMENT TAX INCREMENT EQUIVALENT FUND FOR THE DEPOSIT OF SUCH SERVICE PAYMENTS PURSUANT TO OHIO REVISED CODE SECTIONS 5709.41, 5709.42 AND 5709.43, AND DECLARING AN EMERGENCY

WHEREAS, the City of Parma has, pursuant to Ordinance No. 67-2020, acquired title to certain parcels of real property located at the intersection of Broadview Road and W. Ridgewood Drive in the City of Parma, more fully described as Permanent Parcel Nos. (collectively, the “Property”) as shown on Exhibit A hereto within the City for the purpose of urban redevelopment of the Property pursuant to the Development Agreement approved by the Council of the City in furtherance of the City’s policy of urban redevelopment; and

WHEREAS, Parma Nest LLC, d/b/a/ Little Birdie Wine Nest (the “Redeveloper”) is interested in redevelopment of the Property by the construction of a 9,000-sq. ft. coffee bar, wine bar, event center, yoga studio, and craft beverage lounge (the “Project”), thereby creating jobs and employment opportunities for the residents of the City and Cuyahoga County; and

WHEREAS, Ohio Revised Code Sections 5709.41, 5709.42 and 5709.43 authorize this Council to declare all of a portion of the Improvements (as defined in Ohio Revised Code Section 5709.41) with respect to real property which has been owned by the City and thereafter conveyed to a private person to be a public purpose, thereby authorizing the exemption of those Improvements from real property taxation for a period of years, and to provide for the making of service payments in lieu of taxes by the owner of such parcel and to establish a urban redevelopment tax increment equivalent fund into which such service payments shall be deposited; and

WHEREAS, the City has determined that it is necessary and appropriate and in the City’s best interest to provide for service payments in lieu of taxes with respect to the Property pursuant to Ohio Revised Code Section 5709.42 (the “Service Payments”) to pay a portion of the costs of the redevelopment of the Property; and

WHEREAS, the Property is located within the boundaries of the Parma City School District (the “School District”); and the School District has been notified of the City’s intent to pass this Ordinance in accordance with Ohio Revised Code Sections 5709.41(C) and 5709.83;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PARMA, STATE OF OHIO, that:

Section 1. This Council finds and determines that the Project described in Exhibit B hereto, to be constructed by the Redeveloper, is declared to be a public purpose for purposes of Section 5709.41 of the Ohio Revised Code.

Section 2. Pursuant to and in accordance with the provisions of Section 5709.41 of the Ohio Revised Code, 100% of the Improvements is hereby declared to be a public purpose for a period of 20 years and exempt from taxation for a period of twenty (20) years, commencing with the first year that the value of the Improvements is reflected on the tax duplicate, but in no event shall the exemption period extend beyond 2041 (the "TIF Exemption"); provided, however, that Service Payments shall be paid to the School District in the amount of the taxes that would have been payable to the School District as provided in Section 3 hereof.

Section 3. As provided in Section 5709.42 of the Ohio Revised Code, the owner or owners of the Property are hereby required to, and shall make, semi-annual Service Payments to the Cuyahoga County Treasurer (the "County Treasurer") on or before the final dates for payment of real property taxes due and payable with respect to the Improvements. In accordance with Section 5709.42 of the Ohio Revised Code, the County Treasurer is hereby requested to distribute a portion of the Service Payments directly to the School District in the amount equal to the real property tax payments that the School District would have received had the Improvements not been exempted from real property taxation pursuant to this Ordinance. The Service Payments, when distributed to the City by the County Treasurer, shall be deposited in the Little Birdie Urban Redevelopment Tax Increment Equivalent Fund established in Section 4 hereof. This Council hereby authorizes the Mayor, the Auditor, the Treasurer and City Law Director, and other appropriate officers of the City, to provide such information and certifications and to execute and deliver or accept delivery of such instruments as are necessary and incidental to collection of those Service Payments, and to make such arrangements as are necessary and proper for payment of those Service Payments.

Section 4. This Council hereby establishes pursuant to and in accordance with the provisions of Section 5709.43 of the Ohio Revised Code, the Little Birdie Urban Redevelopment Tax Increment Equivalent Fund (the "Fund"), into which shall be deposited all of the Service Payments distributed to the City with respect to the Improvements, by or on behalf of the County Treasurer as provided in Section 5709.42 of the Ohio Revised Code, and hereby provides that of the moneys deposited in the Fund shall be paid to the Redeveloper to pay any or all acquisition, construction, installation or financing costs, and any or all other direct and indirect costs of the Project, or to reimburse the Redeveloper for such costs, in accordance with the TIF and Development Agreement authorized by Section 6 hereof and to pay Service Payments due to the School District if and to the extent not paid by the County Treasurer.

The Fund shall remain in existence so long as Service Payments are collected and used for the aforesaid purposes, after which time the Fund shall be dissolved in accordance with Section 5709.43 of the Ohio Revised Code and any moneys remaining therein shall be paid to the City.

Section 5. Pursuant to Section 5709.41(E) of the Ohio Revised Code, the Clerk of Council is hereby directed to deliver a copy of this Ordinance to the Director of the Development Services Agency of the State of Ohio within fifteen days after its passage. On or before March 31st of each year that the exemption set forth in Section 3 hereof remains in effect, the Mayor or other authorized officer of this City shall prepare and submit to the Director of the Development Services Agency of the State of Ohio the status report required under Section 5709.40(I) of the Ohio Revised Code.

Section 6. This Council determines that all formal actions of this Council concerning and relating to the passage of this Ordinance were passed in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action were in meetings open to the public in compliance with all legal requirements.

Section 7. This Ordinance is declared to be an emergency measure necessary for the immediate preservation of the public peace, health, safety and welfare of the City, and for the further reason that this Ordinance is required to be immediately effective so that the City can maximize the amount of Service Payments to be received from the Property; wherefore, this Ordinance shall become immediately effective upon receiving the affirmative vote of two thirds

of all members elected to Council and approval by the Mayor, otherwise from and after the earliest period allowed by law.

PASSED _____, 2020

PRESIDENT OF COUNCIL

ATTEST: _____
CLERK OF COUNCIL

APPROVED: _____

FILED WITH
THE MAYOR: _____

MAYOR, CITY OF PARMA, OHIO

**EXHIBIT A
PROPERTY**

City of Parma

Permanent Parcel Numbers

451-41-001 and 451-51-008

EXHIBIT B

Description of the Project

An approximately 9,000 sq. ft. 9coffee bar, wine bar, event center, yoga studio, and craft beverage lounge.

EXHIBIT C

Development Agreement